

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1729 be amended to read as follows:

- 1 Page 3, between lines 20 and 21, begin a new paragraph and insert:
2 "SECTION 3. IC 4-35-7-12, AS AMENDED BY P.L.146-2008,
3 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2009]: Sec. 12. (a) The Indiana horse racing commission shall
5 enforce the requirements of this section.
6 (b) Except as provided in **section 12.5 of this chapter and**
7 subsections (j) and (k), a licensee shall before the fifteenth day of each
8 month devote to the gaming integrity fund, horse racing purses, and to
9 horsemen's associations an amount equal to fifteen percent (15%) of
10 the adjusted gross receipts of the slot machine wagering from the
11 previous month at the licensee's racetrack. The Indiana horse racing
12 commission may not use any of this money for any administrative
13 purpose or other purpose of the Indiana horse racing commission, and
14 the entire amount of the money shall be distributed as provided in this
15 section. A licensee shall pay the first two hundred fifty thousand dollars
16 (\$250,000) distributed under this section in a state fiscal year to the
17 commission for deposit in the gaming integrity fund established by
18 IC 4-35-8.7-3. After this money has been distributed to the
19 commission, a licensee shall distribute the remaining money devoted
20 to horse racing purses and to horsemen's associations under this
21 subsection as follows:
22 (1) Five-tenths percent (0.5%) shall be transferred to horsemen's
23 associations for equine promotion or welfare according to the
24 ratios specified in subsection (e).

(2) Two and five-tenths percent (2.5%) shall be transferred to horsemen's associations for backside benevolence according to the ratios specified in subsection (e).

(3) Ninety-seven percent (97%) shall be distributed to promote horses and horse racing as provided in subsection (d).

(c) A horsemen's association shall expend the amounts distributed to the horsemen's association under subsection (b)(1) through (b)(2) for a purpose promoting the equine industry or equine welfare or for a benevolent purpose that the horsemen's association determines is in the best interests of horse racing in Indiana for the breed represented by the horsemen's association. Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(d) A licensee shall distribute the amounts described in subsection (b)(3) as follows:

(1) Forty-six percent (46%) for thoroughbred purposes as follows:

(A) Sixty percent (60%) for the following purposes:

(i) Ninety-seven percent (97%) for thoroughbred purses.

(ii) Two and four-tenths percent (2.4%) to the horsemen's association representing thoroughbred owners and trainers.

(iii) Six-tenths percent (0.6%) to the horsemen's association representing thoroughbred owners and breeders.

(B) Forty percent (40%) to the breed development fund established for thoroughbreds under IC 4-31-11-10.

(2) Forty-six percent (46%) for standardbred purposes as follows:

(A) Fifty percent (50%) for the following purposes:

(i) Ninety-six and five-tenths percent (96.5%) for standardbred purses.

(ii) Three and five-tenths percent (3.5%) to the horsemen's association representing standardbred owners and trainers.

(B) Fifty percent (50%) to the breed development fund established for standardbreds under IC 4-31-11-10.

(3) Eight percent (8%) for quarter horse purposes as follows:

(A) Seventy percent (70%) for the following purposes:

(i) Ninety-five percent (95%) for quarter horse purses.

(ii) Five percent (5%) to the horsemen's association representing quarter horse owners and trainers.

(B) Thirty percent (30%) to the breed development fund established for quarter horses under IC 4-31-11-10.

Expenditures under this subsection are subject to the regulatory requirements of subsection (f).

(e) Money distributed under subsection (b)(1) and (b)(2) shall be allocated as follows:

(1) Forty-six percent (46%) to the horsemen's association representing thoroughbred owners and trainers.

(2) Forty-six percent (46%) to the horsemen's association representing standardbred owners and trainers.

(3) Eight percent (8%) to the horsemen's association representing quarter horse owners and trainers.

(f) Money distributed under this section may not be expended unless the expenditure is for a purpose authorized in this section and is either for a purpose promoting the equine industry or equine welfare or is for a benevolent purpose that is in the best interests of horse racing in Indiana or the necessary expenditures for the operations of the horsemen's association required to implement and fulfill the purposes of this section. The Indiana horse racing commission may review any expenditure of money distributed under this section to ensure that the requirements of this section are satisfied. The Indiana horse racing commission shall adopt rules concerning the review and oversight of money distributed under this section and shall adopt rules concerning the enforcement of this section. The following apply to a horsemen's association receiving a distribution of money under this section:

(1) The horsemen's association must annually file a report with the Indiana horse racing commission concerning the use of the money by the horsemen's association. The report must include information as required by the commission.

(2) The horsemen's association must register with the Indiana horse racing commission.

(g) The commission shall provide the Indiana horse racing commission with the information necessary to enforce this section.

(h) The Indiana horse racing commission shall investigate any complaint that a licensee has failed to comply with the horse racing purse requirements set forth in this section. If, after notice and a hearing, the Indiana horse racing commission finds that a licensee has failed to comply with the purse requirements set forth in this section, the Indiana horse racing commission may:

(1) issue a warning to the licensee;

(2) impose a civil penalty that may not exceed one million dollars (\$1,000,000); or

(3) suspend a meeting permit issued under IC 4-31-5 to conduct a pari-mutuel wagering horse racing meeting in Indiana.

(i) A civil penalty collected under this section must be deposited in the state general fund.

(j) For a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009, the amount of money dedicated to the purposes described in subsection (b) for a particular state fiscal year is equal to the lesser of:

(1) fifteen percent (15%) of the licensee's adjusted gross receipts for the state fiscal year; or

(2) eighty-five million dollars (\$85,000,000).

If fifteen percent (15%) of a licensee's adjusted gross receipts for the state fiscal year exceeds the amount specified in subdivision (2), the licensee shall transfer the amount of the excess to the commission for

1 deposit in the state general fund. The licensee shall adjust the transfers
2 required under this section in the final month of the state fiscal year to
3 comply with the requirements of this subsection.

4 (k) For a state fiscal year beginning after June 30, 2009, the amount
5 of money dedicated to the purposes described in subsection (b) for a
6 particular state fiscal year is equal to the lesser of:

7 (1) fifteen percent (15%) of the licensee's adjusted gross receipts
8 for the state fiscal year; or

9 (2) the amount dedicated to the purposes described in subsection
10 (b) in the previous state fiscal year increased by a percentage that
11 does not exceed the percent of increase in the United States
12 Department of Labor Consumer Price Index during the year
13 preceding the year in which an increase is established.

14 If fifteen percent (15%) of a licensee's adjusted gross receipts for the
15 state fiscal year exceeds the amount specified in subdivision (2), the
16 licensee shall transfer the amount of the excess to the commission for
17 deposit in the state general fund. The licensee shall adjust the transfers
18 required under this section in the final month of the state fiscal year to
19 comply with the requirements of this subsection.

20 SECTION 4. IC 4-35-7-12.5 IS ADDED TO THE INDIANA CODE
21 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
22 1, 2009]: **Sec. 12.5. (a) For a state fiscal year beginning after June**
23 **30, 2009, and ending before July 1, 2014, all payments under**
24 **section 12 of this chapter, IC 4-35-8.5, and IC 4-35-8.9 are subject**
25 **to any reduction required by this section.**

26 (b) Before the fifteenth day of each month, the department shall
27 determine the difference between:

28 (1) the amount of taxes that each permit holder would have
29 remitted under IC 4-35-8 if the tax rates set forth in
30 IC 4-35-8-1(b) had been imposed on the permit holder's
31 adjusted gross receipts in the previous month; minus

32 (2) the amount of taxes that each permit holder actually
33 remitted under IC 4-35-8 in the previous month in accordance
34 with the tax rates set forth in IC 4-35-8-1(a).

35 (c) The commission shall withhold the amount determined
36 under subsection (b) from the payments or deposits otherwise
37 required by section 12 of this chapter, IC 4-35-8.5-1, and
38 IC 4-35-8.9-1.

39 (d) The amount withheld under subsection (c) shall be allocated
40 as follows:

41 (1) Seventy-nine percent (79%) from the amounts otherwise
42 distributed under section 12 of this chapter.

43 (2) Sixteen percent (16%) from the amounts otherwise paid
44 under IC 4-35-8.1-1.

45 (3) Five percent (5%) from the amounts otherwise deposited
46 under IC 4-35-8.9-2.

47 (e) The commission shall transfer the amount withheld under

1 subsection (c) to the treasurer of state for deposit in the state
2 general fund."

3 Page 4, after line 26, begin a new paragraph and insert:

4 "(g) The department shall ensure that all revenue reductions
5 occurring as a result of the application of the tax rates set forth in
6 subsection (a) are offset by the amounts withheld under
7 IC 4-35-7-12.5(c).

8 SECTION 6. IC 4-35-8.5-1, AS ADDED BY P.L.233-2007,
9 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2009]: Sec. 1. (a) Payments under this chapter are subject
11 to IC 4-35-7-12.5.

12 (a) (b) Before the fifteenth day of each month, a licensee that offers
13 slot machine wagering under this article shall pay to the commission
14 a county slot machine wagering fee equal to three percent (3%) of the
15 adjusted gross receipts received from slot machine wagering during the
16 previous month at the licensee's racetrack. However, a licensee is not
17 required to pay more than eight million dollars (\$8,000,000) of county
18 slot machine wagering fees under this section in any state fiscal year.

19 (b) (c) The commission shall deposit the county slot machine
20 wagering fee received by the commission into a separate account
21 within the state general fund.

22 SECTION 7. IC 4-35-8.9-2, AS ADDED BY P.L.233-2007,
23 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
24 JULY 1, 2009]: Sec. 2. (a) Payments under this chapter are subject
25 to IC 4-35-7-12.5.

26 (a) (b) Before the fifteenth day of each month, a licensee that offers
27 slot machine wagering under this article shall pay to the commission
28 a supplemental fee equal to one percent (1%) of the adjusted gross
29 receipts received by the licensee from slot machine wagering.

30 (b) (c) The commission shall deposit the supplemental fees into a
31 separate account within the state general fund."

32 Renumber all SECTIONS consecutively.

(Reference is to HB 1729 as printed February 17, 2009.)

Representative Turner